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RHMFISS/HQ USCENTCOM MACDILL AFB FL  
RUEKJCS/SECDEF WASHDC  
RUEKJCS/JOINT STAFF WASHDC

C O N F I D E N T I A L SECTION 01 OF 04 NEW DELHI 000294

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TAGS: [PREL](#) [PGOV](#) [ENRG](#) [MNUC](#) [KNNP](#) [SENV](#) [PTER](#) [IN](#) [PK](#) [CH](#)

SUBJECT: NSA NARAYANAN MULLS SENATOR KERRY'S SUGGESTIONS ON  
CIVIL NUCLEAR DEAL

Classified By: Ambassador David C. Mulford, for Reasons 1.4 (B, D)

11. (C) Summary: In a January 11 meeting with visiting Senator John Kerry that focused exclusively on the civil nuclear agreement and nuclear non-proliferation, NSA MK Narayanan reiterated the GOI's support for its draft separation plan, and allowed that New Delhi "will not backtrack" on obligations under the Fissile Material Cut-off Treaty (FMCT) if/when it comes into force. Narayanan and his staff listened to Senator Kerry's proposals to enhance the civil nuclear agreement to secure Congressional and Nuclear Suppliers' Group (NSG) acceptance, but pointed to India's "two hostile nuclear neighbors" and the need for the deal to "pass muster in Parliament." Additional safeguards on nuclear facilities feeding into India's strategic program would be unnecessary, Narayanan argued, because over time the percentage of those unsafeguarded reactors would diminish as the US-India agreement takes effect and as new safeguarded civilian reactors come on line and an FMCT enters force. End Summary.

THE CIVIL NUCLEAR ENERGY AGREEMENT  
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12. (C) Senator Kerry opened by telling Narayanan he supported the July 18 framework and the civil nuclear agreement conceptually. Pointing out Congress' Constitutional role in US foreign policy, Senator Kerry mentioned he wanted to help package the civil nuclear agreement in a manner that would facilitate a swift and strong Congressional approval consistent with the NSG, MTCR, and the US Atomic Energy Act. To Narayanan's comment that the GOI had not yet heard a response to the plan Foreign

Secretary Saran passed to U/S Burns, Ambassador Mulford

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answered that the plan as presented did not yet meet USG standards in certain areas, and the GOI will be notified as soon as a USG interagency team finishes defining its minimal criteria. Senator Kerry underlined that he thinks the agreement in principle enjoys bipartisan support and the USG is not trying to make the process difficult, but is trying to satisfy countries like Japan, Taiwan, and South Korea, who abandoned their military nuclear plans to sign the NPT, and to maintain the moral high ground with prospective proliferators like Iran.

13. (C) Referring to the July 18 agreement as a "crucial element" in transforming US-India relations and characterizing the civil nuclear agreement as "one of the most important, if not the most important" aspects to stem from the PM's meeting with the President on July 18, 2005, Narayanan responded that he thought the plan as presented fulfilled the precepts of being credible, feasible, and transparent. He admitted that the Indian and US perceptions may differ, but the plan was an honest and sincere effort by New Delhi. Narayanan added that neither the GOI nor "any reasonable Indian" perceives the US as "holding back," adding, "even the Left does not raise the issue of the US pulling the rug out." The plan Saran presented, he explained, was drafted with two goals: (1) for external parties, "to convince those who needed convincing that our non-proliferation is serious," and (2) for the domestic audience, to overcome India's energy deficit. To address proliferation concerns, Narayanan mentioned that "we expect a quantum jump in safeguarded versus unsafeguarded

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facilities," although he allowed that "we may have to adjust the numbers in upcoming negotiations" without altering the broad contours of the agreement.

14. (C) Senator Kerry cautioned Narayanan that additional US criticism of the civil nuclear deal has not yet surfaced, but he predicted it would, including from the environmental lobby. To Narayanan's remark that nuclear power would move India away from coal, Senator Kerry pointed out the environmental concerns over nuclear waste.

How Much Deterrent is Enough?

15. (C) Senator Kerry asked Narayanan how large a nuclear deterrent India needs, and if that requirement could be satisfied under a regime whereby nuclear fissile material is enriched under IAEA supervision. Director (Prime Minister's Office) DB Venkatesh Verma reported that the GOI estimates China possesses 400 deliverable nuclear weapons; Narayanan followed by explaining that India's nuclear doctrine supports a minimally credible deterrent sufficient to counter China and Pakistan. (NOTE: The GOI delegation did not offer an estimate of Pakistan's strategic arsenal. End Note.) Narayanan also repeatedly pointed to India's no first use doctrine and its "willingness to absorb a first strike" as further evidence that Delhi does not seek a "huge stockpile." "We have two hostile nuclear neighbors", stressed Narayanan, and India was disrupting approximately one terrorist attack against an economic or religious target every day.

16. (C) Ambassador Mulford noted that the July 18 agreement was an agreement on principles, which nobody on either side is suggesting be abandoned. The nature of the challenge is to satisfy standards that the US Congress and the NSG set, and to ensure that the agreement brings India into the non-proliferation system, which, he added, is the best way to get people to say it strengthens the non-proliferation architecture without changing it substantially. Senator Kerry emphasized the importance of demonstrating the clear distinctions between democratic and responsible India's

nuclear program and those of countries like Iran when speaking with critics of the civil nuclear agreement.

FMCT

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17. (C) Senator Kerry asked Narayanan two questions: (1) Knowing the GOI will abide by the FMCT (when in effect) that will also limit other countries, can the GOI calculate how much fissile material it will need for its minimum credible deterrence, assuming its "no first use" doctrine, and (2) Could the GOI consider IAEA involvement on the military side, strictly as a non-proliferation issue and without limiting the amount of material produced or India's deterrent? Narayanan emphasized that firewalling India's civil and military nuclear programs was a clear part of the original agreement, adding when "the (UN) Committee on Disarmament takes action on the FMCT, we will not backtrack, that is an assurance." He also predicted the FMCT would emerge from the Committee on Disarmament "soon." Narayanan had no answer to Senator Kerry's question as to who, if not the IAEA, would be the arbiter of the efficacy of the firewall between the civil and military nuclear programs. (NOTE: During this exchange,

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Narayanan al

so made a passing reference to a Chinese transfer of nuclear material to Pakistan "three weeks ago," possibly referring to the Financial Times report on a large new reactor deal. End Note.)

18. (C) Narayanan predicted that a proposal such as Senator Kerry's "would not pass muster in Parliament." He launched into a brief explanation of the precariousness of the UPA's coalition and of its Parliamentary opposition to illustrate the difficulty of pitching new ideas to support the civil nuclear agreement. Narayanan forecasted that, as India's nuclear power base increases, the percentage of military reactors will drop; within 1-2 years of the FMCT's adoption, he added, how many "military" reactors India maintains will be "an academic question." Verma mentioned that PM Singh had stated that India would not execute a unilateral fissile material cut-off, and Joint Secretary (Prime Minister's Office) Sujata Mehta added that the PM told Parliament that he would do nothing that "amounted to a cap on strategic programs."

NSG

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19. (C) Narayanan reported that he found support for the civil nuclear agreement in his meetings with his UK, French, and Russian counterparts. His understanding from those conversations is that "if the USG endorses the separation plan, the majority of the NSG will fall in line." The US will talk to Australia, Japan, and Canada, as well as China, and the French and British will deal with the other Europeans, he continued. On China, Narayanan commented that their opposition is not based on proliferation issues; "they are trying to suck out all the world's resources, including copper and oil," implying the PRC wants to keep India's nuclear program small and out of the international mainstream so it cannot compete for nuclear feedstock.

GOI Won't Consider Restraints Beyond Future FMCT

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110. (C) Senator Kerry explained that the right time to strengthen the GOI case for its exemption from US non-proliferation legislation was while the deal had not yet taken full shape. Narayanan held to the position that the GOI would abide by the FMCT when it comes into force, implying that restraints beyond that would be difficult to accept. To Senator Kerry's suggestion of a partial IAEA sequester or escrow of military nuclear material, Verma insisted that such

an arrangement was "quite unprecedented," aside from when the US dismantled Libya's nuclear program; Senator Kerry countered that an NPT waiver was also unprecedented. Verma responded that the escrow idea was "completely unacceptable in India."

¶11. (C) Picking up Narayanan's earlier thread on the civil/military nuclear mix, Verma reported that 19% of India's thermal capacity is under safeguards. He predicted that, absent the civil nuclear deal, by 2013 the percentage outside safeguards would rise. With the deal in place, however, Verma forecast the percentage would decline even faster, due to the projected increase in civilian capacity.

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¶12. (U) Codel Kerry cleared this cable.

List of Participants

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¶13. (U) GOI Delegation  
National Security Advisor MK Narayanan  
Joint Secretary (Prime Minister's Office) Sujata Mehta  
Director (Prime Minister's Office) DB Venkatesh Verma  
(notetaker)

¶14. (U) USG Delegation  
Senator Kerry  
Ambassador Mulford  
Dr. Nancy Stetson  
Maj. John Ulrich  
Poloff Howard Madnick (notetaker)

¶15. (U) Visit New Delhi's Classified Website:  
(<http://www.state.sgov.gov/p/sa/newdelhi/>)  
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